

ALTERNATIVE FUELS RESEARCH AND EDUCATION DIVISION

PROPANE ALTERNATIVE FUELS ADVISORY COMMITTEE

February 21, 2007

Minutes

Members Present: Paul Biney, Trent Bischoff [for Mr. Radley], Jay Briseno, Rick Byers, Doug Garrett, Tom Granberry, Skeeter LaDue, Don Lewis, Rick Maier, Lorraine Urey, Shel Vedlitz, James Williams

Members Absent: Dennis Dukes, Johnny Greenwood, Doug Peck, Jan Peterson

Guests: Jackie Burge, Todd Dorris, Tom Nichols, Mike Ross, Bill Van Hoy

Staff: Heather Ball, Rayfield Hearne, Steve Jaeger, Dan Kelly, Eileen Latham, Carmen Ledesma, Thomas Petru

Chairman Jay Briseno called the meeting to order at 9:00 a.m. in the Railroad Commission's Alternative Fuels Training Center, 6506 Bolm Road, Austin.

On motion of Ms. Urey (second by Mr. Maier), the minutes of the November 1, 2006, meeting were approved without amendment.

Director's Report

Resignation. James Cole has resigned from the committee after serving with distinction since 1999. James has moved from Southwest Research Institute to EControls, Inc., in San Antonio, a manufacturer of electronic control systems for forklifts and other engine applications.

Delivery-fee collections. Collections through Friday, February 16, totaled \$861,176. This total, which does not include January deliveries, is the lowest at this date in AFRED's history and 12 percent lower than the 15-year average collections at this time of the fiscal year.

Legislation. The 80th Legislature has begun. No bills directly affecting AFRED have been filed as yet.

Research

2007 Propane Technology Forum. This year's Forum will be held in Austin on Wednesday, September 12. Co-sponsors are AFRED, ASOCIMEX and PERC.

Proposals. AFRED is looking for partners to participate in proposals to certify a low-emissions commercial turf mower, demonstrate a combined heat and power (CHP) system at a dairy, and install advanced propane appliances at *Progressive Farmer's* "idea home" near Fredericksburg.

Training

Volunteer firefighter training. Since March 2005 AFRED training director Thomas Petru has conducted 59 classes and trained 1,410 firefighters from 180 departments statewide. 153 marketer co-sponsors and their staff have attended these classes. Response from firefighters and marketers continues to be very favorable.

Marketer training outlines. AFRED is developing a series of outlines for short (30-60 minute) training classes that marketers can put on at their businesses.

Regulatory update 6.1 classes. The next interagency update for propane company managers will be at Gander Mountain in Tyler on April 25. The one after that will be in Austin on September 13.

Certification

Chapter 9 amendments. All proposed amendments were adopted without changes. A key change is that bobtail drivers whose duties include filling cylinders will be able to take AFRED's cylinder-filling class for continuing-education credit during the upcoming renewal period.

2007 card renewals. Renewal letters will be mailed March 1. Two things are different this year. First, people who renew their certification will receive only one new card, which will be issued when (1) their renewal fee has been paid and, if they have a May 31, 2007, CE due date, (2) they have completed the required class. Second, people who pay renewal fees by credit card will do so securely online, through the State of Texas payment portal, rather than by calling or faxing in their credit-card number to AFRED staff. A 3 percent convenience fee will apply.

Marketing

Forklift grants. As of February 15, AFRED had issued \$3,966,180 in rebates from our \$8 million TCEQ grant. Another \$1,235,470 of applications is pending. Grants issued so far have reduced NOx emissions in Texas' air-quality non-attainment areas by 813 tons over the life of the new forklifts.

Federal motor-fuel tax credit. AFRED has filed its first claim for the \$0.50/gal tax credit on propane motor fuel. AFRED is also participating in a pilot program with ComData, the State of Texas' credit-card issuer for fuel purchases, on applying the credit to propane purchases made with their card. The pilot program may be extended to other state agencies.

IRS motor vehicle purchase tax credit. AFRED is working with the IRS to clarify the rules for claiming the 50 percent to 80 percent tax credit for the incremental cost of an alternative fueled vehicle. The credit is expected to apply to school buses, bobtails and the Roush F-150 pickup when implemented. AFRED is helping the IRS understand the various ways that a propane vehicle may be brought to market, so that the credit can be applied to the greatest number of vehicles.

TPEMF collaboration. Three candidate projects for working together with the Texas Propane Educational & Marketing Foundation were discussed. The three projects were (1) participate in the PERC Blue Bird propane school bus demonstration, (2) participate in the PERC Roush propane pickup truck introduction, and (3) participate in PERC manufactured housing advertising program.

Marketing/Public Education

Ms. Urey explained the Texas Association of Builders' (TAB) 2007 propane homebuilder outreach program, which will be funded under a \$47,000 contract with AFRED. Each TAB regional seminar will include a RRC presentation. TAB will distribute a special builder's edition of the *Propane Insider*, and the Commission will again partner with TAB to participate in the Sunbelt Builders Show. A call for entries is available from now through June on the TAB web site.

AFRED Marketing Director Heather Ball reported that a Q&A page has been posted on AFRED's web site clarifying propane forklifts' eligibility for the \$0.50/gallon federal motor-fuel excise tax credit. AFRED is also working with ComData, the issuer of the state's fuel-purchasing credit card, on a pilot program to facilitate state agency fleets' use of propane and help them access the credit.

At the suggestion of former committee member Annelle Dorris, AFRED will resume its series of Railroad Commission safety news releases. A clipping service could report to the Commission the number of papers that picked up each release. The service would cost about \$100 per month and would provide marketers with duty-to-warn documentation. Mr. Williams moved (second by Mr. Granberry) that AFRED retain such a service. The motion was approved unanimously.

Progressive Farmer magazine will feature a 3,000-4,000 square foot "Idea House and Farmstead" that will be built in Fredericksburg. The magazine will run articles about the equipment and appliances on the property, which could be fueled by propane. Interested marketers or manufacturers should contact Heather.

Heather reported that AFRED is looking for demonstration partners for grant proposals on propane fumigation, combined heat and power applications, and low-NOx commercial turf mowers. Heather asked marketers to contact her if they have a customer that may be interested.

Rebate Coordinator Eileen Latham distributed current and comparative previous-year statistics about the consumer rebate program. The number of water-heater rebates is increasing.

Training

Director of Training Thomas Petru reported that an addendum to the current *LPG Safety Rules* book is available. The addendum gives the rule changes that took effect February 12, 2007, using underlines and strikeouts for easy identification of the changes.

The committee discussed a draft of the first set of materials in AFRED's new series of Marketer Safety Meeting Outlines. Marketers may use these materials as they see fit in their in-house training programs. AFRED plans to produce 12 to 15 outlines in the series and post them on the web site. As a result of the discussion, a signature line will be added to the documentation page.

New Technology

Research and Technical Services Director Steve Jaeger updated the committee on current R&D projects.

Seven NovelAire desiccant dehumidifiers are currently operating in demonstration homes under AFRED's grant from PERC. Third-party performance tests by Intertek (Cortland, N.Y.) are complete, and results were generally positive. Steve operated AFRED's unit for the committee and used hand-held psychrometers to demonstrate the difference between the unit's output and the ambient humidity of the

room. TECO Partners in Florida is now marketing the units. The next steps appear to be to set up a training program for installers and investigation of possible purchase incentives once the unit's track record has been established.

Field testing of a propane cotton defoliator is complete at Texas A&M University's Agricultural Research & Extension Center in Weslaco under AFRED's grant from the U.S. Environmental Protection Agency. The study showed that heat defoliation reduced whitefly and whitefly nymph populations by 80 percent compared to plots treated with chemicals and by 96 percent compared to untreated plots. No significant difference in weevil populations was observed. Fiber quality and yields were not affected by the thermal treatments.

Tests on the ECS retrofit fuel system for forklifts with General Motors 4.3L V-6 engines are continuing under AFRED's grant from the Texas Commission on Environmental Quality. Initial results show NOx significantly reduced, but CO increased.

Certification

Certification Manager Rayfield Hearne reported that so far in fiscal 2007 AFRED has given 1,346 examinations. Of those, 92 percent passed and 8 percent failed.

Detailed study guides for all seven employee-level examinations are still in preparation. These study guides will replace the one-page table currently posted on AFRED's web site.

Rayfield reported that the pilot program requiring registration in advance for exams given outside of Austin has been successful and will be continued.

Certification renewal letters will be sent out at the end of the month. Two things are different about this year's renewal period. All credit-card payments will be made on-line through the secure State of Texas payment portal. Also, new cards will only be issued when both the renewal payment and any required training or continuing-education class has been completed. Rayfield suggested that marketers who renew by check include their license numbers on their checks in case they become separated from their other paperwork during processing.

Next Meeting; Adjournment

No date was set for the next meeting. The committee adjourned at 11:59 a.m.



Carmen Ledesma